



Fluid Milk and Cream - Western U.S.

Agricultural Marketing Service
Dairy Market News

Report 19

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Milk production in California is steady. However, lower than anticipated volumes thus far this year are reported by contacts. The lower than anticipated volumes are contributing to unbalanced plants in the Central Valley area. Warmer temperatures at higher altitudes are influencing faster paced snow melt. Contacts report some areas of the state have more comfortable river levels, some space in reservoirs have been gained, and some local water districts are wanting farmers to irrigate as much as they can. Demand for all Classes is steady. Farm level milk output in Arizona is steady. Temperatures subsided into the 90s during this week, improving cow comfort and holding impacts on milk production to a minimal. Milk volumes are available and ample compared to processing needs. Contacts report Class III and IV spot loads sales and purchases at below Class prices. Demand for all Classes is unchanged. Industry sources in the state have expressed recent concern over how much water is being drawn out of wells in some local areas. Milk production is steady in New Mexico. Milk supplies are heavy to balanced compared to handling needs. Milk volumes are available throughout the state. Demand is steady for all Classes. In the Pacific Northwest, farm level milk output is steady. Milk supplies are available for production needs. Milk supplies are reported as slightly heavier to balanced compared to current bottling and manufacturing needs. Class II demand is strong, with ice cream manufacturing momentum building, while Classes I,III, and IV demands are steady. Tanker and driver shortages are reported from a few stakeholders. In the mountain states of Idaho, Utah, and Colorado milk production is strong to steady. Milk volumes are available for bottling and processing needs throughout the mountain states. A few production facilities report heavier than balanced volumes due to shutdowns for maintenance. All Classes have steady demand. Contacts report condensed skim milk is plentiful, and additional loads are available for contract and spot sales. Spot market activity is steady to lighter. Loads are channeling through contract sales well. Available cream volumes are plentiful, keeping production schedules strong. Cream multiples moved higher on the bottom end this week.

Western U.S. F.O.B. Cream

Commodity				Low Price	High Price
Cream	All Classes	\$/LB Butterfat		2.4210	2.9294
Cream	All Classes	Multiples Range		1.0000	1.2100
Cream	Class II	\$/LB Butterfat		2.5421	2.9294
Cream	Class II	Multiples Range		1.0500	1.2100

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